GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1698
ANSWERED ON:22.08.2012
OUTSTANDING AGRICULTURAL LOAN
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Will the Minister of FINANCE be pleased to state:

(a) whether farmers are evading to pay the outstanding agricultural loan;

(b) if so, the details thereof;

(c) the percentage of agricultural loan in non-performing assets (NPA) of domestic banks during the year 2010-11;and

(d) the contribution of agriculture in NPA during the year 2008-09 due to Loan Waiver Scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): The Government of India has been setting annual target for the flow of credit to the agriculture sector. The details of targets and achievement made during the last 2 years along with the number of farm accounts financed are as under:

(accounts in lakh & amount in Rs. crore)

Year	Target(Amount)		Achievement	
	Accounts	Amount		
2010-11	3,75,000	549.60	4,68,291.29	
2011-12	4,75,000	646.57	5,11,029.09	

Provisional

The number of farm accounts has increased from 549.60 lakh in 2010-11 to 646.57 lakh in 2011-12.

(c): The ratio of Non Performing Assets (NPAs) to the credit outstanding of agriculture sector was 3.45% in 2010-11 for public sector banks in comparison to 2.42% in 2009-10.

(d): According to the Report on Trend and Progress of Banking in India 2009-10, "Priority sector NPAs, which constituted little over half of the total NPAs of domestic banks up to 2008, had shown a steep decline in 2009 attributable primarily due to the Agricultural Debt Waiver and Debt Relief Scheme of 2008." The Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008 has de-clogged the lines of credit that were clogged due to the debt burden on the farmers and made them eligible for fresh loans. Under the scheme Rs 52,275.55 crore has been released by the Govt. through RBI and NABARD to give benefit to 3.45 crore farmers.